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SANTO DOMINGO ALSO FOR REGIONAL COMMERCIAL OFFICE
JUSTICE FOR OPDAT

E.O. 12958: N/A

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SUBJECT: TRINIDAD & TOBAGO ECONOMIC HIGHLIGHTS FOR DECEMBER 2008

Notable economic developments in Trinidad & Tobago in December:

- [1. Inflation falling says CBTT](#)
- [2. Tourism slows in Tobago](#)
- [3. Legislative Agenda for 2009 - 2010](#)
- [4. GOTT Encourages Comparison Shopping](#)
- [5. GOTT Invests US \\$16.3 Million in Food Security](#)
- [6. PriceSmart a Good Investment](#)

[1. Inflation falling says CBTT](#)

In response to a slowdown in food price inflation, on December 19 the Central Bank of Trinidad and Tobago (CBTT) announced headline inflation had fallen from 15.4% (year-on-year) in October to 14.3% in November. Following this announcement, Caribbean Money Market Brokers Limited (CMMB) lowered its inflation range forecast from 14.5-16% to 13-15%. High food and commodity prices have driven inflation recently. In November of 2008, lower international food prices caused the food inflation rate to drop from 33.4% to 29.8% (year-on-year).

[2. Tourism slows in Tobago](#)

Tobago Hotel Association President, Carol-Ann Birchwood James, commented that hotel occupancy in Tobago is at 50%. The shortage of guests is expected to continue through 2009. Kevin Kenny, President of Trinidad Hotel, Restaurant and Tourism, expects a drop of almost 30% for 2009. To combat slowing business, tourism professionals will increase marketing to visitors from Trinidad. Trinidad's tourism sector, dominated by conferences and business travel, is so far showing no significant ill effect from the financial crisis. Hotel owners anticipate doing good business from the upcoming Summit of the Americas in April and Commonwealth Heads of Government meeting in November.

[3. Legislative Agenda for 2009 - 2010](#)

The GOTT announced a legislative agenda for the next two years, including legislation to regulate credit unions, deal with food security and agriculture, and address discriminatory practices encountered by HIV/AIDS patients in the workplace.

[4. GOTT Encourages Comparison Shopping](#)

The GOTT revealed it has spent US\$100,000 to date to publish comparative prices on fruits and vegetables, poultry and hardware materials. Consumer Affairs Minister Peter Taylor cited "empirical evidence that comparison shopping affects a downward trend of prices

on the local market." Minister Taylor hopes that by the year 2020 consumer awareness in Trinidad will be comparable to developed nations.

15. GOTT Invests in Food Security

The GOTT announced it will spend US\$16.3 million on infrastructure to support large-scale commercial farms in order to reach its goal of attaining food and nutrition security. Currently, T&T imports 80% of its food. Twelve large farms will be made available under lease-hold arrangements. GOTT hopes that this initiative will also contain food price inflation, which has been the major contributor to domestic headline inflation.

16. Mexican Company Sells 49.9 Million TCL Shares

Mexican cement company Cemex announced plans to sell its 20% shareholding in Trinidad Cement Limited. TCL is a major producer and marketer of cement and ready-mix products in the Caribbean. Anthony Haynes, general manager of a TCL subsidiary, said the sale "is not likely to have any affect on our operations." Cemex is reportedly selling the shares in an effort to recover from a year of losses due to the global financial crisis.

16. PriceSmart, a Good Investment

US-invested retailer PriceSmart announced it will open a fourth location in Trinidad in 2009 with a projected cost of USD 30 million. The store will be located in San Fernando and open in November. In 2008, PriceSmart's three existing warehouse stores enjoyed a 20% growth in sales and reported TT\$1 billion in local

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sales.

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